

ADMINISTRATION TEAM MINUTES

Date: February 10, 2006
Time: 9:00 am
Place: Tacoma AGC Building

<u>Attending</u>	Mark Borton	___	David Jones	✓	Mark Rohde	✓
	Jerry Brais	✓	David Mariman	✓	Mark Scoccolo	___
	Forrest Dill	___	Craig McDaniel	✓	Dave Standahl	✓
	Bob Glenn	___	Tina Nelson	✓	Greg Waugh	✓
	Paul Gonseth	✓	Cathy Nicholas	✓	Tom Zamzow	___
	Tim Hayner	✓	Ken Olson	✓		
	Ann Hegstrom	___	Roger Palfenier	✓		

Old Business – Force Account Equipment Rates

The Team resumed the discussion surrounding Primedia's memo describing options to adjust operating rates to reflect higher fuel costs. Half of Blue Book rates are not current and will be updated in June of this year. [Editors Note: this date is incorrect – the next update is scheduled for July of this year.]

The Contractor's co-chair requested that the current Equipment Rental Agreement be reviewed as allowed in the current agreement under Article 11 Concurrence, Review Time. Suggested review topics included fuel costs, simplifying calculations, changing the Regional adjustment factor, addressing old equipment (20+ year), and updating fixed attachment costs. The main focus is that WSDOT Force Account payments are not full reimbursement for contractors' actual costs.

The Owner's co-chair reiterated that the philosophy behind Force Account is to compensate the contractor for their actual cost plus reasonable profit. WSDOT wants to address this. Primedia is being paid to provide these rates by is not updating frequently enough to keep pace with changing fuel costs. They used to update more frequently but don't any more. Primedia offers an on-line tool at extra cost that provides for manual adjustment of rates, but using this tool would require an adjustment to the current rental rate agreement. The Corps of Engineers publishes equipment rates, and these are used by Federal Lands, but all 50 states use Blue Book, and changing to another source would again require an adjustment of the agreement.

WSDOT has explored some options to address this issue and proposes a specification change to add an extra 12% markup to the hourly operating cost (see attached). This solution is designed to be easy to administer and is written to expire when the Blue Book rates are updated. The 12% is determined using the formula provided by Primedia using the average of the fuel consumption factors provided in Primedia's memo, the average of the gas and diesel fuel prices, and the current national fuel index for #2 diesel from the Department of Energy. It would not be retroactive to force account work already performed, as FHWA will not participate in a retroactive fuel cost adjustment. However, it could be added to current contracts.

It was noted that the correlation is unknown between Blue Books index for fuel costs and DOE's index. Of the \$685 million dollars in contract payments that WSDOT made in 2005, force account operating costs comprised on less than one percent of that amount, and this adjustment will be a fraction of that. However, the adjustment affects different contractors to different degrees depending on their type of work. Also, many contractors are using ultra-low sulfur (off road) diesel in all equipment because of the risks associated with having two kinds of diesel on the project site. With Primedia's half-at-a-time annual update schedule, Blue Book rates will never be current. Will this mean we will forever adjust fuel costs to compensate for when the blue book is out of step?

The Team concluded that the spec change adjustment was fair and addressed the need. It would be implemented as soon as possible for future advertisements and would be added to current contracts by change order. The Team established a one week period for review and comment. Local agencies would be provided a justification to attach to change orders.

However, the current Rental Rate Agreement is still open to review, and there were a lot of questions about the proposed changes. Nobody could say what the Regional adjustment factor is based on. Wouldn't an adjustment for old equipment be a disadvantage to contractors that are receiving payment based on newer equipment models? An adjustment for attachments could get complicated. Many attachments come with the equipment, such as thumbs on excavators and rippers on graders. The intent of the proposal is to be paid for standard attachments, even if they are not used. In other words, we should not deduct for air conditioning just because it is winter (for example). Simplifying calculations could be worth looking at in light of the fact that force account is a very small percentage of the work that we do. All of these proposals require additional discussion, but the clock was advancing and the team moved on to other business.

Progress Schedules – Section 1-08.3

The final version of the schedule provision was passed out and discussed (see attached). The changes are a result of WSDOT's consultation with the Attorney General. As the note keeper led the discussion, the records are a bit thin on the specific details of the response. The AGC Scheduling textbook was generally well received as the published standard. It was noted that a schedule showing a late completion would be rejected by

WSDOT. A pay item tied to receipt of a schedule was perceived as a good tool to motivate compliance with the submittal requirement.

The bulk of the feedback surrounded tying the submittal of a schedule to the execution of the contract. There was quite a bit of discussion concerning contractors delaying execution of the contract as long as possible in order to accomplish all of the things attached to this event. The Team had previously agreed to tie schedule submittal to award of the contract in order to help expedite execution. However, this was a source of concern to the Attorneys and was therefore modified. It will be reconsidered. Local Agencies will modify this to tie to the Notice to Proceed anyway.

Schedule updates were discussed in detail and it was agreed to modify the spec to allow (rather than require) a schedule update under the conditions described in the provision. Also, some clarification was needed for when payment will be made for a schedule update. The intent is to not pay for an update when it is a result of the contractors operations (like resequencing the critical path), but to make payment for an update when it results from an owner initiated action (like adding work). The payment language will be modified to clarify this intent.

Section 1-08.3 – Complex Schedules

A draft of this provision was distributed for review but time did not allow a discussion (see attached). It will be discussed at a future meeting.

Section 1-08.4 – Prosecution of Work

This provision was revised due to the comments from the Attorney General related to tying events to Award of the contract (see attached).

Section 1-08.5 – Time for Completion

This provision was revised due to the comments from the Attorney General related to tying events to Award of the contract (see attached). It was noted that tying the beginning of contract time to when the contractor actually starts work on the project was inadvertently removed by an editing error, and will be reinserted. The requirement to protest working days according to section 1-04.5 was removed and reverted back to its former process. This was due to legal concerns associated with proposed legislation about notice requirements related to the *Mike M. Johnson* decision. It may be reconsidered at a future date. Changes to completion dates were removed due to a realization that there were too many references to completion dates “defined in Section 1-08.5” to resolve at this time. Cleaning up the sloppy references to completion dates is still a noble cause and will be pursued.

Round-Tuit

The round-tuit list was recognized as being outdated and needing another look. The discussion included whether to add a Standing DRB to that list or elevate it to a new agenda item. The bid-item for onsite overhead has been on the list for a long time.

Lump sum landscaping was mentioned, but not added as this is a Roadway Team item. Also, the Team should eventually get around to sections 1-08.6 and 1-08.7.

Future Meetings

Friday, March 10

Friday, April 14

Friday, May 12

The meeting adjourned at 12:00 noon.

Subject Area	Sponsor
1-08.3 alternate complex job	Forrest Dill/David Mariman
Section 1-08.5 (sub) Critical Materials Spec	Mark Borton/David Mariman
Section 1-08.5 (sub) Variable Start Date	Dave Standahl
Section 1-08.5 (sub) Alternate Shifts (could be a family of specs)	Tim Hayner
Section 1-08.5 (sub) Work not Allowed (events, traffic, permit provisions)	Paul Gonseth
Section 1-08.6	Dave Jones
Section 1-08.7	Ann Hegstrom
Review, Summarize Region Specials	Craig McDaniel

Team's "Round Tuit" List (cont)

1. Tort Claims Liability/Accident Reports
2. Bid Item for On-site Overhead
3. Disputes Review Boards
4. Joint Training—Documentation
5. Payroll, Wage Administration procedures
6. Materials on Hand provisions
7. Web-Based Construction Management

Preparation of Proposal

Section 1-02.6 is supplemented with the following:

A minimum bid of *** \$1\$\$ *** lump sum has been established for the item "Type *** \$2\$\$ *** Progress Schedule". The Contractor's bid shall equal or exceed that amount. If the Contractor's bid is less than the minimum specified amount, the Contracting Agency will unilaterally revise the bid amount to the minimum specified amount and recalculate the Contractor's total bid amount. The corrected total bid amount will be used by the Contracting Agency for award purposes and to fix the amount of the contract bond.

Directions for Use:

Use in all projects unless a Type A Schedule (simple bar chart) is requested by the Project Engineer. **Use of Type C Schedule (complex) requires approval of Region Construction Manager.**

Fill-ins are used to specify the minimum bid amount, and the type of schedule required (either Type B for standard projects or Type C for complex projects).

For Type B schedules: Fill-in #1 is the minimum bid amount. Use \$5000 for projects estimated to be under \$5 million, and \$10,000 for projects estimated between \$5-15 million. Fill-in #2 is the schedule type, "B".

For Type C schedules: Fill-in #1 is the minimum bid amount. Use \$15,000 for projects estimated between \$15-20 million, \$20,000 for projects between \$20-30 million, \$25,000 for projects estimated between \$30-50 million, or \$50,000 for projects over \$50 million. Any amount over \$50,000 requires HQ Construction Office approval. Fill-in #2 is the schedule type, "C".

Progress Schedule

Section 1-08.3 is revised to read:

1-08.3(1) General Requirements

The Contractor shall submit Type A or Type B Progress Schedules and Schedule Updates to the Engineer for approval. Schedules shall show work that complies with all time and order of work requirements in the contract. Scheduling terms and practices shall conform to the standards established in *Construction Planning and Scheduling, Second Edition*, published by the Associated General Contractors of America. Except for Weekly Look-Ahead Schedules, all schedules shall meet these General Requirements, and provide the following information:

1. Include all activities necessary to physically complete the project.
2. Show the planned order of work activities in a logical sequence.
3. Show durations of work activities in working days as defined in Section 1-08.5.
4. Show activities in durations that are reasonable for the intended work.
5. Define activity durations in sufficient detail to evaluate the progress of individual activities on a daily basis.
6. Show the physical completion of all work within the authorized contract time.

The Contracting Agency allocates its resources to a contract based on the total time allowed in the contract. The Contracting Agency may accept a Progress Schedule indicating an early physical completion date but cannot guarantee the Contracting Agency's resources will be available to meet an accelerated schedule. No additional compensation will be allowed if the Contractor is not able to meet their accelerated schedule due to the unavailability of Contracting Agency's resources or for other reasons beyond the Contracting Agency's control.

If the Engineer determines that the Progress Schedule or any necessary Schedule Update does not provide the required information, then the schedule will be returned to the Contractor for correction and resubmittal.

The Engineer's approval of any schedule shall not transfer any of the Contractor's responsibilities to the Contracting Agency. The Contractor alone shall remain responsible for adjusting forces, equipment, and work schedules to ensure completion of the work within the time(s) specified in the contract.

1-08.3(2) Progress Schedule Types

Type A Progress Schedules are required on all projects that do not contain the bid item for Type B Progress Schedule. Type B Progress Schedules are required on all projects that contain the bid item for Type B Progress Schedule. Weekly Look-Ahead Schedules and Schedule Updates are required on all projects.

1-08.3(2)A Type A Progress Schedule

The Contractor shall submit five copies of a Type A Progress Schedule no later than the first working day of the contract as defined in Section 1-08.5. The schedule may be a network schedule, bar chart, or other standard schedule format. The Engineer will evaluate the Type A Progress Schedule and approve or return the schedule for corrections within 15 calendar days of receiving the submittal.

1-08.3(2)B Type B Progress Schedule

The Contractor shall submit a preliminary Type B Progress Schedule no later than five calendar days after the date the contract is executed. The preliminary Type B Progress Schedule shall comply with all of these requirements and the requirements of Section 1-08.3(1), except that it may be limited to only those activities occurring within the first 60 working days of the project.

The Contractor shall submit five copies of a Type B Progress Schedule no later than 30 calendar days after the date the contract is executed. The schedule shall be a network schedule developed by the Precedence Diagramming Method (PDM). Restraints may be utilized, but may not serve to change the logic of the network or the critical path. The schedule shall display at least the following information:

- Contract Number and Title
- Construction Start Date
- Critical Path
- Activity Description
- Milestone Description
- Activity Duration
- Predecessor Activities
- Successor Activities
- Early Start (ES) and Early Finish (EF) for each activity
- Late Start (LS) and Late Finish (LF) for each activity
- Total Float (TF) and Free Float (FF) for each activity
- Physical Completion Date
- Data Date

The Engineer will evaluate the Type B Progress Schedule and approve or return the schedule for corrections within 15 calendar days of receiving the submittal.

1-08.3(2)C Vacant

1-08.3(2)D Weekly Look-Ahead Schedule

Each week that work will be performed, the Contractor shall submit a Weekly Look-Ahead Schedule showing the Contractor's and all subcontractors' proposed work activities for the next two weeks. The Weekly Look-Ahead Schedule shall include the

description, duration and sequence of work, along with the planned hours of work. This schedule may be a network schedule, bar chart, or other standard schedule format. The Weekly Look-Ahead Schedule shall be submitted to the Engineer by the midpoint of the week preceding the scheduled work or some other mutually agreed upon submittal time.

1-08.3(3) Schedule Updates

The Contractor shall submit five copies of a Type A or Type B Schedule Update within 15 calendar days of any of the following events:

1. The project has experienced a significant change that affects the critical path.
2. The sequence of work is changed from that in the approved schedule.
3. The project is significantly delayed.
4. Upon receiving an extension of contract time.
5. The Project Engineer has requested an update in writing, or an update is required by any provision of the contract.

A "significant" change or delay in time is defined as 10 working days or 10 percent of the original contract time, whichever is greater.

In addition to the other requirements of this Section, Schedule Updates shall reflect the following information:

1. The actual duration and sequence of as-constructed work activities, including changed work.
2. Approved time extensions.
3. Any construction delays or other conditions that affect the progress of the work.
4. Any modifications to the as-planned sequence or duration of remaining activities.
5. The physical completion of all remaining work in the remaining contract time.

Unresolved requests for time extensions shall be reflected in the Schedule Update by assuming no time extension will be granted, and by showing the effects to follow-on activities necessary to physically complete the project within the currently authorized time for completion.

1-08.3(4) Measurement

No specific unit of measurement shall apply to the lump sum item for Type B Progress Schedule.

1-08.3(5) Payment

Payment will be made in accordance with Section 1-04.1, for the following bid item when it is included in the proposal:

"Type B Progress Schedule", lump sum.

The Lump Sum price shall be full pay for all costs for furnishing the Type B Progress Schedule and preliminary Type B Progress Schedule.

Payment of 80 percent of the lump sum price will be made upon approval of the Progress Schedule.

Payment will be increased to 100 percent of the lump sum price upon completion of 80 percent of the original total contract award amount.

All costs for providing Type A Progress Schedules, Schedule Updates and Weekly Look-Ahead Schedules are considered incidental to the contract and are to be included with other bid items.

GSP for Complex Schedule

Directions for Use:

Include in complex or high impact projects when the Engineers Estimate exceeds \$15 million, or Time for Completion exceeds 180 working days, or at the discretion of the Region Construction Manager. Use requires the approval of the Region Construction Manager.

Complex Project Schedule

The first sentence of Section 1-08.3(1) is revised to read:

The Contractor shall submit Type C Progress Schedules and Schedule Updates to the Engineer for approval.

Section 1-08.3(2) is supplemented with the following:

Type C Progress Schedules are required on all projects that contain the bid item for Type C Progress Schedule.

Section 1-08.3(2)C including title is revised to read:

Type C Progress Schedule

Type C Progress Schedules shall conform to all of the requirements of Section 1-08.3(2)B and this Section.

The Contractor shall submit five printed copies of a preliminary Type C Progress Schedule no later than the first working day as defined in Section 1-08.5. The preliminary schedule shall comply with all of these requirements and the requirements of Section 1-08.3(1), except that it may be limited to only those activities occurring within the first 60 working days of the project.

The Contractor shall submit five printed copies of a Type C Progress Schedule no later than 60 calendar days after the date the contract is executed. The Engineer may allow an additional 30 calendar days for schedule submittal if the Contractor is able to demonstrate that they are unable to determine resource availability, and such lack of information prevents the Contractor from preparing a reasonable schedule.

Each time that a preliminary schedule, Progress Schedule, or Schedule Update is submitted, the Contractor shall provide the Engineer with an electronic copy of that schedule. Regardless of the type of software used, the schedule data provided to the Engineer shall be saved on a CD-ROM in Primavera Project Planner Concentric P3EC or P3 format.

Type C Progress Schedules shall display at least the following additional information:

1. A time scaled logic diagram.
2. Activities for traffic detours and closures.
3. Milestones for required delivery of State furnished materials, if any.
4. Activities for State furnished traffic control resources, if any.
5. Activities for fabrication of materials longer than 30 calendar days lead time.
6. Date constraints and resource constraints shall be identified on the activity listing, supplemented with a written narrative describing why the constraint exists.

If requested by the Engineer, the Contractor shall supplement the Progress Schedule with a written narrative describing the assumed production rates and planned resource allocations to support the activity durations provided in the schedule.

Section 1-08.3(3) is revised to read:

The Contractor shall submit five printed copies of a Type C Schedule Update to the Engineer by the first business day of each month, or some other mutually agreed upon submittal time.

In addition to the other requirements of this Section, Schedule Updates shall reflect at least the following information:

1. The actual duration and sequence of as-constructed work activities, including changed work.
2. Approved time extensions.
3. Any construction delays or other conditions that affect the progress of the work.
4. Any modifications to the as-planned sequence or duration of remaining activities.
5. The physical completion of all remaining work in the remaining contract time.

Unresolved requests for time extensions shall be reflected in the Schedule Update by assuming no time extension will be granted, and by showing the effects to follow-on activities necessary to physically complete the project within the currently authorized time for completion.

Section 1-08.3(4) is revised to read:

No specific unit of measurement shall apply to the lump sum item for Type C Progress Schedule.

Section 1-08.3(5) is revised to read:

Payment will be made in accordance with Section 1-04.1, for the following bid item when it is included in the proposal:

“Type C Progress Schedule”, lump sum.

The Lump Sum price shall be full pay for all costs for furnishing the Type C Progress Schedule, Schedule Updates and preliminary Type C Progress Schedule.

Payment of 80 percent of the lump sum price will be made upon approval of the Progress Schedule.

Payment will be increased to 100 percent of the lump sum price upon completion of 80 percent of the original total contract award amount.

All costs for providing Weekly Look-Ahead Schedules are considered incidental to the contract and are to be included with other bid items.

1-08.4 Prosecution of Work

| The Contractor shall begin work within 21~~40~~ calendar days from the date of execution of the contract by the Contracting Agency, unless otherwise approved in writing. The Contractor shall diligently pursue the work to the physical completion date within the time specified in the contract. Voluntary shutdown or slowing of operations by the Contractor shall not relieve the Contractor of the responsibility to complete the work within the time(s) specified in the contract.

1-08.5 Time for Completion

The Contractor shall complete all physical contract work within the number of "working days" stated in the Contract Provisions or as extended by the Engineer in accordance with Section 1-08.8. Every day will be counted as a "working day" unless it is a nonworking day or an Engineer determined unworkable day. A nonworking day is defined as a Saturday, a Sunday, a day on which the contract specifically suspends work, or one of these holidays: January 1, the third Monday of January, the third Monday of February, Memorial Day, July 4, Labor Day, November 11, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. When any of these holidays fall on a Sunday, the following Monday shall be counted a nonworking day. When the holiday falls on a Saturday, the preceding Friday shall be counted a nonworking day.

The days between December 25 and January 1 will be classified as nonworking days; provided that, the Contractor actually suspends work on the project.

An unworkable day is defined as a halfpartial or whole day the Engineer declares to be unworkable because of weather, or conditions caused by the weather, or such other conditions beyond the control of the Contractor that prevents satisfactory and timely performance of the work shown on the critical path of the Contractor's approved progress schedule, and such performance, if not hindered, would have otherwise progressed toward physical completion of the work. Other conditions beyond the control of the Contractor may qualify for an extension of time in accordance with Section 1-08.8.

Contract time shall begin on the first working day following the 21st~~10th~~ calendar day after the date the Contracting Agency executes the contract. The contract provisions may specify another starting date for contract time, in which case, time will begin on the starting date specified.

Each working day shall be charged to the contract as it occurs, until the contract work is physically complete. If substantial completion has been granted and all the authorized working days have been used, charging of working days will cease. Each week the Engineer will provide the Contractor a statement that shows the number of working days: (1) charged to the contract the week before; (2) specified for the physical completion of the contract; and (3) remaining for the physical completion of the contract. The statement will also show the nonworking days and any halfpartial or whole day the Engineer declares as unworkable. Within 10 calendar days after the date of each statement, the Contractor shall file a written protest of any alleged discrepancies in it. To be considered by the Engineer, the protest shall be in sufficient detail to enable the Engineer to ascertain the basis and amount of time disputed. By not filing such detailed protest in that period, the Contractor shall be deemed as having accepted the statement as correct.

The Engineer will give the Contractor written notice of the physical completion date for all work the contract requires. That date shall constitute the physical completion date of the contract, but shall not imply the Secretary's acceptance of the work or the contract.

The Engineer will give the Contractor written notice of the completion date of the contract after all the Contractor's obligations under the contract have been performed by the Contractor. The following events must occur before the Completion Date can be established:

1. The physical work on the project must be complete; and

2. The Contractor must furnish all documentation required by the contract and required by law, to allow the Contracting Agency to process final acceptance of the contract. The following documents must be received by the Project Engineer prior to establishing a completion date:
 - a. Certified Payrolls (Federal-aid Projects)
 - b. Material Acceptance Certification Documents
 - c. Annual Report of Amounts Paid as MBE/WBE Participants or Quarterly Report of Amounts Credited as DBE Participation, as required by the Contract Provisions.
 - d. FHWA 47 (Federal-aid Projects)
 - e. Final Contract Voucher Certification

Section 1-08.8 is revised to read:

1-08.8 Extensions of Time

The Contractor shall submit any requests for time extensions to the Engineer in writing no later than 10 working days after the delay occurs. The requests for time extension shall be limited to the affect one change in the critical path of the Contractor's approved schedule attributable to the change or event giving rise to the request.

To be considered by the Engineer, the request shall be in sufficient detail (as determined by the Engineer) to enable the Engineer to ascertain the basis and amount of the time requested. The request shall include an updated schedule that supports the request and demonstrates ~~The Contractor shall be responsible for showing on the progress schedule that the change or event:~~ (1) had a specific impact on the critical path, and except in cases of concurrent delay, was the sole cause of such impact, and (2) could not have been avoided by resequencing of the work or by using other reasonable alternatives. If a request combined with previous extension requests, equals 20 percent or more of the original contract time, then the Contractor's letter of request must bear consent of Surety. In evaluating any request, the Engineer will consider how well the Contractor used the time from contract execution up to the point of the delay and the effect the delay has on any completion times included in the special provisions. The Engineer will evaluate and respond within 15 calendar days of receiving the request.

The ~~authorized contract's~~ time for physical completion will be extended for a period equal to the time the Engineer determines the work was delayed because of:

1. Adverse weather causing the time requested to be unworkable, provided that the Engineer had not already declared the time to be unworkable and the Contractor has filed a written protest according to Section 1-08.5. ~~Unsuitable weather, provided that:~~
 - a. ~~The Engineer had not already allowed it as an unworkable day under Section 1-08.5, and~~
 - b. ~~The Contractor had timely filed a written protest asserting that time the Engineer charged as a working day should have been allowed as an unworkable day.~~
2. Any action, neglect, or default of the Contracting Agency, its officers, or employees, or of any other contractor employed by the Contracting Agency.;
3. Fire or other casualty for which the Contractor is not responsible.;
4. Strikes.;
5. Any other conditions for which these Specifications permit time extensions such as:
 - a. In Section 1-04.4 if a change increases the time to do any of the work including unchanged work.;
 - b. In Section 1-04.5 if increased time is part of a protest that is found to be a valid protest.;
 - c. ~~In Section 1-04.6 if increases exceed 25 percent and these increases caused a delay in completing the contract;~~
 - cd. In Section 1-04.7 if a changed condition is determined to exist that which caused a delay in completing the contract.;

- de. In Section 1-05.3 if the Contracting Agency does not approve properly prepared and acceptable drawings within 30 calendar days.;
 - ef. In Section 1-07.13 if the performance of the work is delayed as a result of damage by others.;
 - fg. In Section 1-07.17 if the removal or the relocation of any utility by forces other than the Contractor caused a delay.;
 - gh. In Section 1-07.24 if a delay results from all the right of way necessary for the construction not being purchased and the special provisions does not make specific provisions regarding unpurchased right of way.;
 - hi. In Section 1-08.6 if the performance of the work is suspended, delayed, or interrupted for an unreasonable period of time that proves to be the responsibility of the Contracting Agency.;
 - ij. In Section 1-09.11 if a dispute or claim also involves a delay in completing the contract and the dispute or claim proves to be valid.
 - j. In Section 1-09.6 for work performed on a force account basis.
7. If the actual quantity of work performed for a bid item was more than the original plan quantity and increased the duration of a critical activity. Extensions of time will be limited to only that quantity exceeding the original plan quantity.
68. Exceptional causes not specifically identified in items 1 through 57, provided the request letter proves the Contractor had no control over the cause of the delay and could have done nothing to avoid or shorten it.

Working days added to the contract by time extensions, when time has overran, shall only apply to days on which liquidated damages or direct engineering have been charged, such as the following:

If substantial completion has been granted prior to all of the authorized working days being used, then the number of days in the time extension will eliminate an equal number of days on which direct engineering charges have accrued. If the substantial completion date is established after all of the authorized working days have been used, then the number of days in the time extension will eliminate an equal number of days on which liquidated damages or direct engineering charges have accrued.

The Engineer will not allow a time extension for any cause listed above if it resulted from the Contractor's default, collusion, action or inaction, or failure to comply with the contract.

The Contracting Agency considers the time specified in the special provisions as sufficient to do all the work. For this reason, the Contracting Agency will not grant a time extension for:

- Failure to obtain all materials and workers unless the failure was the result of exceptional causes as provided above in subsection 8;
- Changes, protests, increased quantities, or changed conditions (Section 1-04) that do not delay the completion of the contract or prove to be an invalid or inappropriate time extension request;
- Delays caused by nonapproval of drawings or plans as provided in Section 1-05.3;
- Rejection of faulty or inappropriate equipment as provided in Section 1-05.9;
- Correction of thickness deficiency as provided in Section 5-05.5(1)B.

The Engineer will determine whether the time extension should be granted, the reasons for the ~~and times of extensions shall be determined by the Engineer, and the duration of the extension, if any.~~ and ~~s~~Such determination will be final as provided in Section 1-05.1.



February 27, 2006

TO:

Ralph Robertson, Eastern Region Steve Roark, Olympic Region, 47440
Kirk Berg, North Central Region Bill Vlcek, Northwest Region NB82-101
Phil Nickson, South Central Region Glenn Schneider, Southwest Region, S15
Russ East, WSF, TB-83 Al Dyer, Urban Corridors Office, TB85-99

FROM: For Kevin J. Dayton
360-705-7821

SUBJECT: Fuel cost adjustments for force account

Many of you may have received a letter from Equipment Watch with regard to the lack of equipment force account rates keeping up with the increasing price of fuel (see enclosed.) As you are probably aware our specifications reference the Blue Book as modified by the current AGC-WSDOT Equipment Rental Agreement as the resource for determining compensation for force account use of equipment (1-09.6 (3).) WSDOT's and AGC's philosophy behind the agreement has been to structure force account payments such that the contractor is fully compensated for costs. The intent is to avoid having contingencies being bid into the contract for items such as increased fuel costs that may not be incurred.

In keeping with this philosophy the AGC/WSDOT Administration team has agreed to a fair and simple method to make an interim fuel cost adjustment to equipment rates. Instead of calculating multiple rates we have agreed to one **12%** across the board adjustment to **operating cost**. The enclosed Supplemental Equipment Rental Agreement will be effective from March 1st, 2006 until July 15th 2006. July 15th 2006 is the date that updated equipment rates from Equipment Watch will be paid. Based on a review of the new rates another supplemental agreement may or may not be necessary.

Please advise your project offices of this change. The standard specifications refer to the "current" version of the agreement therefore no change order is necessary. The force account software has been modified to automatically calculate the fuel cost adjustment and add it to the FHWA rate on the equipment worksheet. The fuel cost adjustment will not be included in the standby rate. The only requirement for this application to correctly calculate the adjustment is to be sure the operating cost is input as well as the FHWA rate. Do not apply the 12% adjustment to the operating cost prior to entering it into the Force Account Application. The adjustment will only be calculated on force account sheets with work dates that fall within the effective dates of the supplement. Underlined terms are input fields in the force account software.

For those that do not use the Force Account Application, a manual increase of 12% must be added to the Rental Rate Blue Book Hourly Operating Cost for work performed during the effective dates of the Supplemental Agreement.



1735 Technology Drive, Suite 410
San Jose, California 95110-1333

Dear Valued Rental Rate Blue Book Subscriber:

Instability in the price of diesel fuel and gasoline has prompted many inquiries on how to adjust Rental Rate Blue Book operating rates to reflect the higher fuel costs.

EquipmentWatch wants to continually support you and provide the most up-to-date information, so we are giving you two options to adjust for rising fuel prices.

Option 1: Use the Custom Cost Evaluator or Cost Reference Guide to get the most accurate adjustments for your specific equipment models and fuel costs.

The Custom Cost Evaluator Online will allow you to automatically adjust fuel costs and over 20 ownership and operating costs to reflect your specific equipment and operating characteristics. The Cost Reference Guide offers you the option to manually adjust fuel and other O&O costs for your equipment.

We have significantly reduced prices on both of these products for Blue Book Subscribers. To learn more about the Custom Cost Evaluator Online or the Cost Reference Guide, just call our Sales Team at 1-800-669-3282.

Option 2: Use the tables, included with this letter, to manually estimate fuel adjustments for your specific equipment.

The included tables are organized by Blue Book section and Equipment type. Listed for each equipment type is the:

- Average percentage of the published operating rate generated by the cost of fuel.
- Minimum and maximum percentages to identify the range that fuel costs can impact the operating rate.
- Fuel price used to calculate the published Blue Book operating rate.

To use the tables, just follow the example on the back of this page.

We hope this information is helpful. If you would like additional assistance, please call our Research Team at 1-800-669-3282.

Sincerely,
Don Hopkins
Director of Research

Example:

Equipment: Deere 670C II Articulated Motor Grader

Blue Book Rate:

Monthly	Weekly	Daily	Hourly	Estimated operating cost/hr
\$4,825	\$1,350	\$340	\$51.00	\$22.80

Based on the information in the attached table, fuel makes up an average of 43% of the operating cost and the original diesel cost in the Rental Rate Blue Book was \$1.98/gallon.

Section	Equipment type	Average	Maximum	Minimum	Diesel	Gas
9	Articulated Frame Graders	43%	53.7%	31.7%	\$ 1.98	\$1.79

If you want to adjust the cost of diesel fuel to \$2.75/gallon, you would make the following adjustments:

1. Adjustment Factor = ((Current fuel cost/Original fuel cost) - 1) x average fuel percentage
2. Adjusted Operating cost = Operating Cost x (1 + Adjustment Factor)

In this example:

1. Adjustment Factor = $(\$2.75/\$1.98) - 1) \times (0.43) = 0.167$
2. Adjusted Operating cost = $\$22.80 \times (1 + 0.167) = \26.61 per hour

PLEASE NOTE: Average fuel percentages are an average over all models and sizes in an entire equipment type. The percentage for a particular piece of equipment may lie anywhere within the range.

$$2/6/06 \text{ Current fuel cost (National) Gas} = 2.342 \text{ Dies} = 2.499$$

$$\text{Adjustment (Gas)} = (2.342/1.781) - 1 \times 0.354 = 0.1115$$

$$\text{Adjustment (Diesel)} = (2.499/1.842) - 1 \times 0.354 = 0.1263$$

$$0.2378 / 2 = 0.1189$$

**AGC - WSDOT
SUPPLEMENTAL EQUIPMENT RENTAL AGREEMENT**

Effective Dates: March 1, 2006 until July 15, 2006

It is mutually agreed by the parties to this agreement that rental rates to be paid Contractors for equipment used on force account will be established in accordance with Section 1-09.6 of the Standard Specifications, the AGC-WSDOT Equipment Rental Agreement Effective June 1, 2004, and this Supplemental Agreement.

This Supplemental Equipment Rental Agreement modifies the AGC-WSDOT Equipment Rental Agreement Effective June 1, 2004 as described below.

2. Rental Rate, paragraph c. is revised to read:

- c. The hourly operating cost for each hour that the equipment is in use. "In use" shall mean that the presence of the equipment is necessary for the operation and that the equipment is present and is not being used for other activities while the force account work is underway. Under these circumstances, the equipment shall be paid at its hourly rate plus 1.12 times the hourly operating cost.

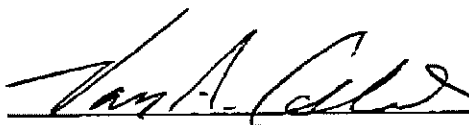
4. Rental Equipment, the first paragraph is revised to read:

If Contractor-owned equipment is not reasonably available, the Engineer may approve the use of operated or non-operated rental equipment. Operated equipment shall be considered a "service" and shall be compensated according to section 4 of the force account specifications. Non-operated equipment shall be compensated according to the provisions for rented equipment in section 3 of the force account specifications. If the invoice costs of non-operated equipment do not specifically say that fuel is included, then 1.12 times the Rental Rate Blue Book Hourly Operating Cost shall be added for each hour the equipment operates.

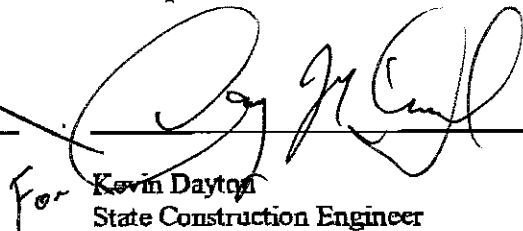
This Supplemental Equipment Rental Agreement is issued after conference among representatives of the Associated General Contractor of Washington and the Washington State Department of Transportation and has the approval of both.

**Associated General Contractors
of Washington**

**Washington State Department of
Transportation**



Van Collins
Southern District manager



For Kevin Dayton
State Construction Engineer